

1 Q. **Asset Management**

2 Further to the response to PUB-NLH-037 which states that *“In 2012, Hydro*
3 *commenced an internal review of the methodology for determining critical spare*
4 *thresholds”*, describe Hydro’s process for determining Transmission and Rural
5 Operations (TRO) critical spare thresholds and the status of this review. Include in
6 the response the extent Hydro currently stocks spare conductors, insulators, and
7 other parts for critical transmission lines, and spare parts for critical terminal
8 stations.

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11 A. The Long Term Asset Planning (LTAP) groups are accountable for critical spare parts
12 in Hydro. Hydro maintains a healthy level of critical spare parts, including
13 conductors and insulators with safety stock levels for all of its critical assets
14 including Terminals Stations and Transmission Lines. Hydro does not separate its
15 spares inventory on the basis of "critical" Transmission Lines or Terminal Stations.

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17 However, in 2012 a process was initiated to review current levels of critical spare
18 parts. The process that is currently in progress for all asset areas including Terminal
19 Stations and Transmission Lines, is to complete an Asset Criticality Ranking and then
20 utilize this ranking to address spare parts for the most critical assets as a priority.
21 For stocking levels, consideration is given to number of assets in service, availability
22 of parts, lead-time on parts, history of failure of components and maintenance
23 activities. The establishment of safety stock and on-hand quantities is a joint effort
24 between System Operations, LTAP, and Engineering Technical Services. By the end
25 of 2014, critical spare parts reviews will have been completed on bushings, power
26 transformers, air blast circuit breakers and gas turbines.